



Health Services
LOS ANGELES COUNTY

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through leadership,
service and education.*



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March 30, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**LAC+USC MEDICAL CENTER REPLACEMENT FACILITY
APPROVAL OF PSYCHIATRIC UNIT CONVERSION
CONTRACT PW-12641; MCCARTHY/CLARK/HUNT, A JOINT VENTURE
SPEC. 6550; (C.P. NO. 70787)
(First District) (4 Votes)**

**JOINT RECOMMENDATIONS WITH THE CHIEF ADMINISTRATIVE
OFFICER AND THE DIRECTOR OF PUBLIC WORKS:**

1. Find that the recommended changes to the project are categorically exempt under California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines, Section 15301(a) and Class 1, Subsection (d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987.
2. Approve the design and construction changes necessary to convert the currently planned Inpatient Tower 24-bed psychiatric unit to a 24-bed acute care unit. The estimated cost is not-to-exceed \$6,600,000, which includes \$960,000 in additional architectural design fees, \$4,525,000 in estimated additional construction costs, and \$1,115,000 in estimated permitting and consulting fees.
3. Approve and authorize the Director of Public Works to negotiate and execute Supplemental Agreements with Helmuth, Obata, Kassabaum + Lee, Burkhart, Liu (HOK+LBL) to provide architectural design services for the shell and core, and the tenant improvement phases for the estimated total not-to-exceed amount of \$875,104.
4. Approve and authorize the Director of Public Works to execute change orders to Agreement PW-12641 with McCarthy/Clark/Hunt (MCH), a Joint Venture, for work associated with the elimination of the currently planned psychiatric ward (shell) and the additional work required for utility connection construction for the future acute care unit, for the combined estimated not-to-exceed amount of \$1,604,000.

5. Approve and authorize the Director of Public Works to execute a change order to Agreement PW-12641 with MCH for the tenant improvement construction, and the furniture, fixture and equipment installation, or to pursue the work through an alternate contracting strategy for an estimated not-to-exceed amount of \$3,734,000.
6. Approve the attached appropriation adjustment in the amount of \$6,600,000 to reallocate funding from Tobacco Settlement Programs budget unit to the Fiscal Year 2005-2006 LAC+USC Medical Center Replacement Facility Capital Project for the cost of the recommended changes.
7. Approve the revised project budget in the amount of \$829,886,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

As part of the settlement of the Harris-Rodde litigation, the County agreed to provide 600 beds at the LAC+USC Medical Center Replacement Project and an additional 50 psychiatric beds off-site. Of the 600 beds included in the LAC+USC Medical Center Replacement Project, 24 beds were designated as psychiatric beds. In determining the most appropriate manner in which to comply with the settlement, the Department of Health Services considered the impact of various options on patient throughput to utilize the new facility to its maximum potential. Since the greatest demand is for medical beds, the recommendation is to convert the 24 inpatient psychiatric beds to 24 general acute medical/surgical beds. This unit will be utilized to meet the unique needs of patients who have acute medical conditions and also have a secondary chronic psychiatric disorder. Currently, there is an average of 40 patients of this type on a daily basis. The patients are jointly cared for by Medicine and Psychiatry, with nursing staff who have had specialized training. Housing these patients in one area has proved to be the most operationally efficient way to take care of them.

There will be no additional expenses to operate this unit because there is a similar ward in General Hospital now. The operational expenses to care for these patients have historically been included in the allocated budget.

CONSTRUCTION CHANGE ORDER

After considering input from the general contractor and construction managers regarding mitigating possible construction impacts and possible critical path schedule delays to the currently scheduled completion date of April 26, 2007, the Department of Public Works (DPW) developed a 3-phase plan for the design and construction of the psychiatric unit conversion.

- 1) Design and install utilities in areas adjacent and below the currently designed psychiatric unit. This will minimize construction impacts to the remainder of the Inpatient Tower.
- 2) Construct the shell of the existing psychiatric unit; leaving the area unfinished except for life safety requirements necessary to allow occupancy of the remainder of the building. Construction of the psychiatric ward shell shall be performed by MCH. A large portion of

work in the Psychiatric area that is shown in the original contract documents will not be constructed, resulting in a credit back to the existing project construction budget.

- 3) Design and construct the new acute care unit as a separate tenant improvement project. Construction of the new acute care unit can be performed either by MCH or through the use of an alternative contracting strategy.

The recommended changes will require a change order to the construction contract. The preliminary estimate for the point-of-connection and shell space construction changes is not expected to exceed \$1,604,000, and the preliminary estimate for the tenant improvement, furniture, fixture, and equipment installation, minus the expected construction credit is not expected to exceed \$2,922,000 based on a conceptual design. If, after negotiations with the contractor, the value of the change order exceeds the estimated cost, we will return to the Board for further approval.

We have reviewed each of the above recommendations as well as the potential cost impact with the Project Advisory Committee. These change orders are considered to be outside of the scope of the project.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

The actions meet the County's Strategic Plan Goal of Service Excellence by promoting best practice in patient care and the Goal of Fiscal Responsibility by investing in the public infrastructure.

CONSISTENCY WITH DHS SYSTEM REDESIGN

These actions meet the Department's strategic goals by improving the health care provided by DHS and enhancing the health of the residents of Los Angeles County.

FISCAL IMPACT/FUNDING

The total estimated cost for these changes is \$6,600,000 and is funded by the Tobacco Settlement Programs budget unit. As a result of these changes, the revised total cost of the project is \$829,886,000.

The Replacement Project budget is funded from the combination of Federal Emergency Management Agency (FEMA) grant funds and short- and long-term borrowing. The project schedule and budget summary are included as Enclosure A.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The proposed change order requires the Board's approval because it will exceed the \$150,000 limit delegated to the Director of Public Works, pursuant to Public Contract Code Section 20142.

ENVIRONMENTAL DOCUMENTATION

On June 6, 2000, the Board certified the Environmental Impact Report/Environmental Assessment (EIR/EA) for the project. On June 7, 2000, FEMA issued a Findings of No Significant Impact for the project and approved the EIR/EA. The recommended changes to the project do not result in any environmental impacts that are not considered in the approved EIR/EA insofar as we are only modifying interior partitions and mechanical and electrical support. Further, such changes are categorically exempt under California Environmental Quality Act (CEQA) pursuant to the State CEQA Guidelines, Section 15301(a) and Class 1, Subsection (d) of the County of Los Angeles Revised Environmental Document Reporting Procedures and Guidelines, adopted by your Board on November 17, 1987.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The existing hospital and all patient care services will remain operational throughout the entire construction period. The project specifications include instruction to the contractor to comply with specific construction constraints from the EIR/EA that will be used to control construction generated dust, noise and traffic to within acceptable thresholds.

CONTRACTING PROCESS:

Design Services

On October 1, 1998, the Board awarded Agreement PW-11875 for \$45,025,000 to HOK+LBL to provide architectural design services, construction administration, and medical equipment planning for the LAC+USC Medical Center Replacement Facility.

HOK+LBL has reviewed the scope of work and submitted proposals for this additional service for a not-to-exceed fee of \$960,000. HOK+LBL has been issued Supplemental Agreement 12 in the amount of \$14,900 for programming and planning for the 24-bed acute care unit, and Supplemental Agreement 15 in the amount of \$69,996 for the design and construction documents for the utility point of connections. The remaining \$875,104 will be used to compensate HOK+LBL for the design services for the shell and tenant improvement documents.


Construction Cost

On December 3, 2002, your Board awarded Agreement PW-12641 to MCH for \$497,883,000, to construct the LAC+USC Medical Center Replacement.


As a result of this proposed change, the contractor must provide work beyond that included in the contract documents. The full scope of work cannot be assessed accurately until the architect has completed the design work but it is estimated not-to-exceed \$4,525,000, which includes a credit in the approximate amount of \$812,000. We are reviewing the details of this change and are determining the most feasible means of contracting for this work. If the construction cost exceeds the amounts approved in these actions, we will return to your Board for approval of the final cost associated with this work. The \$6,600,000 estimate includes \$1,115,000 in permits and plan check fees as well as construction management, inspection, and DPW services.

Upon approval by the Board, the Executive Officer, Board of Supervisors, is requested to return three adopted copies to this letter to the Department of Health Services, Chief Administrative Office (Capital Projects), and Public Works.

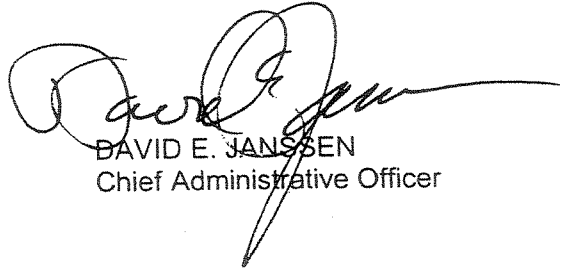
Respectfully submitted,



BRUCE A. CHERNOF, M.D.
Acting Director and Chief Medical Officer



for DONALD L. WOLFE
Director of Public Works



DAVID E. JANSSEN
Chief Administrative Officer

BAC:DEJ:DLW:ame
Board letter lac usc psych 03.28.06 130 pm

Enclosures (2)

c: County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Office of Affirmative Action Compliance

ENCLOSURE A

**LAC+USC MEDICAL CENTER REPLACEMENT FACILITY
APPROVAL OF PSYCHIATRIC WARD CONVERSION
CONTRACT PW-12641; MCCARTHY/CLARK/HUNT, A JOINT VENTURE
SPEC. 6550; (C.P. NO. 70787)**

I. PROJECT SCHEDULE

Project Activity	Scheduled Completion Date	Actual Completion Date
Board Award Design Contract	07/98	07/98
Construction Documents	09/00	09/00
Jurisdictional Approvals	05/02	05/02
Award of Construction	12/03	12/03
Construction Start	01/03	01/03
Acceptance of Project	06/07	
Anticipated Completion of New Acute Care Unit	08/08	

II. PROJECT BUDGET SUMMARY

Budget Category	Current Board Approved Budget	Impact of This Action	Revised Project Budget
Land Acquisition	\$ 12,250,000	0	\$ 12,250,000
Make Ready (Bid Package A-1)	\$ 9,800,000	0	\$ 9,800,000
Construction			
Site Preparation	\$ 1,813,750	0	\$ 1,813,750
Remaining Construction Work			
(a) Base Bid	\$ 497,883,000	0	\$ 497,883,000
(b) Base Isolator Bearings	\$ 814,626	0	\$ 814,626
(c) Contingency	\$ 56,505,536	\$ 4,187,500	\$ 60,693,026
Remaining Work Subtotal	\$ 555,203,162	\$ 4,187,500	\$ 559,390,652
Construction Total	\$ 567,016,912	\$ 4,187,500	\$ 571,204,412
Equipment (Medical, Telecommunications/Data, and FFE)	\$ 82,257,597	\$ 337,500	\$ 82,595,387
Architectural Services	\$ 49,943,491	\$ 960,000	\$ 50,903,491
Consultants and Vendor Services	\$ 72,498,000	\$ 820,000	\$ 73,318,000
Permits and Fees	\$ 9,186,000	\$ 125,000	\$ 9,310,966
County Services	\$ 20,334,000	\$ 170,000	\$ 20,503,754
TOTAL	\$ 823,286,000	\$ 6,600,000	\$ 829,886,000

7BR 352M 11/03

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. _____

DEPARTMENT OF Health Services

DATE 03/29/2006

AUDITOR CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

Fiscal Year 2005-06
3-VOTE

Please see attached for details.

JUSTIFICATION:

This budget adjustment is to transfer funding from the Health Services - Tobacco Settlement Programs budget unit to the LAC+USC Medical Center Replacement Facility Capital Project to fund a change request to convert a 24-bed psychiatric unit to a 24 bed-acute care unit.

EM:js
03/27/06

[Signature] - for EM

Efrain Muñoz, Chief
DHS-Controller's Division

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER
FOR:

☐ ACTION
☒ RECOMMENDATION

AUDITOR-CONTROLLER No.

304

BY:

[Signature]

MARCH 30, 2006

APPROVED AS REQUESTED ☒

AS REVISED ☐

April 3, 2006

[Signature]
DAVID E. JANSSEN
CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

BY:

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER